

South Carolina Department of Employment and
Workforce

Analysis of the Department of Employment and Workforce's Overpayment Billing Process

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March 21,
2013

Background:

The South Carolina Department of Employment and Workforce (DEW) is the state agency that is in charge of collecting unemployment insurance taxes from employers and paying benefits to those individuals who are eligible to receive them. When an individual becomes eligible to receive unemployment benefits, they must certify weekly that they are able to work, available for work, actively seeking employment and are not currently working in order to receive the weekly benefit payments. On occasion, an individual's entitlement to these benefits is reversed or later determined to be improperly collected by the individual, and those monies initially received by the individual become overpaid. The department's Benefit Payment Control (BPC) Unit, specifically its BPC Field Deputies and BPC Collection Unit, are charged with the task of notifying individuals when they become overpaid and the subsequent billing of the individual for the monies owed.

Problem Statement:

The current process by which DEW messages individuals who have become overpaid is outdated and overly manual based upon the number of individuals that currently require messaging. The current process has been in place since the late 1990's when the Benefit Payment Control Package and the Collect-i Access Databases were implemented to account for departmental collection activity. Around 1997 when these databases were put into place, the Department was paying \$177 Million a year in unemployment benefits and overpaying \$6.3 of those monies paid out. However, in FY 2012, the Department paid out over \$1.009 Billion in unemployment benefits while overpaying \$52.8 Million. As a result of the increased volume

overpaid benefits, those manual practices once employed by the department can no longer suffice. Furthermore, the content, the unprofessional aesthetics and inconsistency in design among all collection messaging currently employed by the Department need to be addressed to ensure those receiving these notices take them seriously. Also, with current budget cuts specifically geared towards postage at DEW, the department must hone current messaging processes to concisely inform individuals of what is requested of them. Finally, manual processes with high volumes of debt outstanding and redundant messaging during periods of budget cuts to postage forces the department to take a look at its current practices and allow for newer solutions to evolve.

Data Collection:

As part of my project, I plan to improve upon the current claimant messaging employed by the department for billing / notifying individuals that owe the department money, analyze the existing escalating process by which an individual is “scored” based upon the number of contact attempts made and propose enhancements to each. I also plan to show how the department can experience cost savings within this process by allowing the Department of State Information Technology’s (DSIT) printing service to print, stuff and mail these notices at a reduced rate while overlaying the outdated address DEW has in its database with updated information with the USPS’s address database. Finally, I feel that if this project is employed by the Department, it will enhance automation, reduce costs and ultimately increase overall collections of the Department.

In this project I will use: the Automated Benefits Payment System (ABPS), the BPC Package (the Access Database used in the initial phase of debt notification by the BPC Field Deputies), the Collect-i System (the Access Database used in the back end phase of debt notification process and perpetual debt warehousing by the BPC Collection Staff), the Benefit Audit, Reporting and Tracking System – BARTS (a sequel server based auditing system used by the department to audit unemployment insurance claims of individuals who are working while filing for benefits), mail / postage reports, internal polls/surveys and DSIT data to document the current processes, messaging and costs as well as the proposed new processes, updated messaging and cost savings.

Data Analysis:

The current process employed by the department to notify individuals that they are overpaid and subsequently owe the department money is defined below:

- 1) The claimant receives a BPC-128¹, a BPC-128BN² (Notice of Non-Fraud Overpayment) or a BPC-128BF³ (Notice of Fraud Overpayment) notifying the claimant for the period of time that they have been disqualified and now have an outstanding debt with the department. The BPC-128 notification is generated by the ABPS and the BPC-128B-N/F is generated by BARTS. The claimant will receive the BPC-128B-N/F if their overpayment of benefits was caused by not reporting or improperly reporting earnings while working and filing for benefits. The claimant will receive a BPC-128 for all other causes of

¹ Attachment "1".

² Attachment "2".

³ Attachment "3".

overpayments (e.g. separation reversals or other periods of time that are later determined to be ineligible after weeks are compensated, such as availability for work or ability to work.) A claimant will not receive both determinations as each determination is specific to each issue.

- 2) After 45 days has elapsed, at the beginning of the following month in which the debt is established, the department notifies claimants via a First Demand for Refund, or BPC-244⁴, notification mailed by a BPC Field Deputy. This data file is downloaded from the ABPS to a centralized Access Database called the BPC Package in which BPC Field Deputies are auto assigned cases based upon a territory split determined by zip codes. Currently, after notification that the download has been completed each month, the BPC Field Deputy logs in to the BPC Package and manually print, fold, stuff and mail these letters at the beginning of each month. Upon the download being completed, ABPS is updated to reflect that the individual received the notification. The system has a "counter" field that is updated based upon the number of attempts the department has made to collect the outstanding debt. After the First Demand for Refund is issued, the counter within ABSP is updated from "0" to "1", indicating that the claimant has been notified once.
- 3) If the claimant fails to respond to the First Demand for Refund, the debt collection efforts is moved from the purview of the BPC Field Deputies to the BPC Collection Unit and migrated from the BPC Package to the Collect-i database. Thirty days later, at the beginning of the following month, the department mails the overpaid individual a

⁴ Attachment "4".

Demand for Refund Final Notice, a form BPC-240⁵. This notification is automatically generated by the ABPS. Again, after the Demand for Refund Final Notice is ran within the ABPS, the system is updated to accommodate for the additional notice to the individual and the counter is updated accordingly from “1” to “2”. At this time, the claimant has been officially notified by the department at least three (3) times, via the BPC-128(B), the BPC-244, and the BPC-240 of their outstanding debt; however, the ABPS counter reflects that the individual has been notified only twice.

This process currently meets the needs of the department; however, there is room for improvement including: improvement in the content of the claimant messaging, removing redundant steps in billing and facilitate automation enhancements.

The first area needing improvement is in the area of claimant messaging. The current messaging format is a basic mail merge document. In the First Demand for Refund process, the BPC Package Access database extracts specific data fields from the ABPS and places the data fields into data columns within the Access databases. When the data columns within the Access databases are updated, the specific data fields are extracted and overlaid to a “shell” document. These data fields include the date, the individual’s name, address, SSN, and the outstanding balance due. The BPC Package Access database holds specific BPC Field Deputy information and overlays each BPC Deputy’s contact information on the document. This is done based upon zip code tables within the programming. The shell document information is very basic and gives the individual very little instruction and fewer options to repay the debt. Included in the appendix, you will find Attachment “4” as the original First Demand for Refund

⁵ Attachment “5”.

(BPC-244) and the revised / proposed Demand for Refund of Overpaid Benefits⁶, as Attachment “6”.

As you can see, the updated Demand for Refund of Overpaid Benefits document facilitates a significantly increased amount of information and instruction. The document includes payment options, as well as consequences (e.g. involuntary wage withholding of 25% of their net wages) if the individual chooses not to respond to the notice. Furthermore, the document has an “Acceptable Repayment Agreement amount”. This figure is an added feature to the document based upon recent changes in the business needs of the department. In 2013, the department engaged in the Unemployment Compensation Treasury Offset Program (UC TOP). This program allows the department to intercept individuals Federal Income Tax returns to repay outstanding debt if the debt meets certain criteria. One of those criteria is if the claimant is engaged in an “acceptable repayment plan”, the department cannot intercept their federal income tax return. This feature allows the claimant to be notified as to what that their specific acceptable amount is, again without making contact with the department.

The updated Demand for Refund of Overpaid Benefits document also facilitates the three (3) voluntary repayment options afforded to individuals. First, the Installment Payment Agreement (BPC-242-IPA⁷), which engages the individual in weekly, bi-weekly, bi-monthly or monthly payments to the department via check or money order. This method of repayment is currently the department’s most utilized method of repayment accounting for 12% of voluntary

⁶ Attachment “6”.

⁷ Attachment “7”.

collection efforts in 2012. Second, the Electronic Funds Transfer (BPC-242-EFT⁸), allows an individual to have their bank account drafted monthly or bi-monthly based upon an acceptable repayment amount. Few individuals use this service afforded to them as this option accounts for only .01% of the voluntary collection efforts in 2012. Finally, the Voluntary Wage Withholding (BPC-242-VWW⁹) option allows an individual to have their wages voluntarily withheld at an acceptable percentage, not necessarily at the maximum percentage allowable by law, through payroll deduction. The individual's employer is responsible for deducting the payment from the individual's payroll and forwarding the payment to the department on the individual's behalf. The Voluntary Wage Withholding option is used by the department; however, due to reporting limitations by the Access databases, the distinction between voluntary wage withholding and involuntary wage withholding cannot be determined as the two programs are summed together under a common "wage withholding" field.

When an individual makes contact with the designated BPC Field Deputy after receiving the Demand for Refund of Overpaid Benefits letter, the new process will allow the BPC Field Deputy to follow up with the individual by sending out the corresponding notice of the method that the individual has requested to repay the outstanding debt. This is a change to the current process of requesting the payment in full and requesting repayment options without guidelines defining what the acceptable repayment criteria are for the individual. Because of the inadequate messaging in the current notification, a significant portion of DEW's overpaid individuals return the First Demand for Refund notice with inadequate repayments to accommodate a reasonable

⁸ Attachment "8".

⁹ Attachment "9".

period to repay the debt (e.g. making \$25 per month payments on an \$8,000 debt). The subsequent voluntary repayment options messaging will significantly reduce confusion as they contain significantly more information and subsequent consequences if the individual fails to stay in compliance with the repayment agreement.

If the individual does not respond to the initial messaging by the BPC Field Deputy, the debt will be transferred from the BPC Package, which is used by the BPC Field Deputies, to the Collect-i System, which is employed by the BPC Collections Staff. At this point, the BPC Collections staff will initiate the involuntary repayment options, which include: Involuntary Wage Withholding and possible State and Federal Tax Intercept and possible prosecution if the debt meets specific criteria. Although this project's focus is on claimant messaging as it pertains to voluntary payments, as part of this project, the Involuntary Wage Withholding Notice (BPC-251-IWW¹⁰) has also been updated and included for informational purposes only. This notice will be generated by the internal BPC Collections Unit as they are the area of BPC responsible for administering the Involuntary Wage Withholding program. Also, by being placed into Involuntary Wage Withholding, the individual will have their wages withheld at the maximum allowable, 25% of their net income, pursuant to § 12-54-130 of SC Code and have no room to negotiate a reduction once placed in the program until the debt is repaid in full. Furthermore, the individual will not be considered to be in a "voluntary acceptable repayment plan" due to the involuntary nature of the monies collected and future state / federal income tax returns may be intercepted based upon defined business rules governing each program.

¹⁰ Attachment "10".

These increased efforts of claimant messaging will benefit debtors and the department alike. The comprehensive information included in the initial Demand for Refund of Overpaid Benefits will better inform an individual of their responsibility to repay the debt, alternative recourses taken by the department if the individual chooses not to respond to the notice, as well as, alleviate phone calls and in person visits to the department for those individuals who have questions or are confused by the current First Demand for Refund notice as indicated above. This is important to the department at this juncture as it has and currently is going through a Reduction in Force (RIF). Comprehensive messaging is necessary during these times as the personnel resources to answer basic questions either via telephone or in-person have been reduced. The BPC Unit, as a whole, has experienced a 27% personnel reduction since November of 2012 as a result of decreased budget resources within the entire department.

In the area of process improvement, the steps currently employed by the department need evaluation and improvement to negate redundant steps in notifying an individual that they owe the department money. The ultimate recommendation, for both a reduction in postage cost as well as redundant “threatening” messaging without actually evoking the adverse action, is to reduce the number of times a claimant is messaged before employing adverse action (e.g. threatening involuntary wage withholding and state and federal tax intercepts) to collect the debt.

The recommendation is to maintain the current initial notifications by which claimants are notified via the BPC-128 and BPC-128B-N/F. However, since these notifications are technically the department’s first official notification to inform the claimant that monies are owed to the

department, upon the notice being issued the ABPS should be updated appropriately with a count of "1".

There are a couple of recommendations to the next phase of notifying the claimant via the First Demand for Refund, BPC-244. The first recommendation is to update the form as indicated earlier and reflected in the appendix. The second recommendation is to allow for a flat file to be generated by the ABPS and passed to DSIT via a secure File Transfer Protocol (FTP) connection. The flat file would include specified data fields (e.g. the individual's name, address, SSN, the balance due, the acceptable repayment amount and the BPC Deputy's contact information), necessary to overlay a "shell" document stored at DSIT. This functionality is currently practiced between DEW and DSIT with several claimant and employer notifications. Because of the established relationship as well as the practice currently in place between the two agencies, transitioning to an automated process would only require a file to be generated by DEW and a "shell" template to be prepared for DSIT. Therefore, it would require minimal time to automate this process.

This process improvement would facilitate cost savings to the department almost immediately. In the current model for collecting money, each of the First Demand for Refund notifications costs the department money in postage as well as the time each BPC Field Deputy has to dedicate to print, fold, stuff and mail the letters. On 1/27/13, postage on individual letters increased from .44 cents per letter to .46 cents per letter. Furthermore, the bulk rate for metered letters sorted through G&H Mail Service is increasing from .424 cents per letter to .433 cents per letter. Also, the updated address overlay function afforded by DSIT will ensure that

individuals who typically do not update their address information with DEW, will correctly receive the billing notifications based upon updated USPS address data.

In a poll conducted of the BPC Field Deputies, the activity of printing, folding, stuffing and mailing the letters on a monthly basis takes approximately 2.5 hours while mailing the approximate 220 First Demand for Refund letters per month. By automating this process, the department would immediately realize savings of approximately \$72 a month in postage and, at an average of \$19.08 per hour, \$477 per month in salaries where efforts could be better served. These savings combined account for an approximate annual savings of \$6,588.

Again, since this notification is technically the department's second official notification to inform the claimant that monies are owed to the department, the ABPS should be updated appropriately with a count of "2" upon the Demand for Refund of Overpaid Benefits file being created. If the individual does not respond to this notice, subsequent collection efforts will be carried out by the BPC Collections Unit. Furthermore, under the proposed business guidelines, the indicator count of "2" will be the determining factor that will engage the claimant in the adverse collection actions available to the department. Although § 12-54-130 requires only one notice informing an individual of the debt and dictates that adverse action(s) can be taken against an individual who is delinquent after ten (10) days, the second notification in this process will facilitate an official final notification before those adverse actions are taken.

Finally, by ending the official billing process with the Demand for Refund of Overpaid Benefits notice and not sending the Demand for Refund Final Notice, the department will experience a cost savings in this area as well. The department mails, on average, 1870 Demand for Refund

Final Notices each month. By not sending this notice out, which does little more than re-inform an individual that there is an outstanding debt due that they have not responded to twice before, the department will save over \$828 per month in postage alone. This equates to \$9,936 in postage savings per year.

Implementation Plan:

The majority stakeholders in this project are internal IT resources and me. The current process within the department's IT Unit is to propose the project via a project plan and then, in turn, have upper management prioritize the project so that IT resources can be appropriately allocated. With emphasis focused on the collecting of debts owed to an insolvent UI Trust-fund (\$76 Million at the end of CY 2012), convincing Upper Management of the importance of this project should be easy as there is currently a strong emphasis on recovering outstanding debt; however, competing resources within the IT Unit may be an obstacle that will have to be overcome.

If competing resources within the IT Unit will not allow for this project to be prioritized based upon their available resources, the plan is to seek out supplemental budget opportunities through the Supplemental Budget Requests (SBR's) afforded to State Workforce Agencies via the Department of Labor. The annual SBR criteria are publicized between July and September, and in recent years, allows for additional funding to states that are pursuing integrity driven initiatives. If the SBR allows for it, seeking the opportunity to employ a "smart contract" programmer to facilitate the programming of this project would overcome the competing resource obstacle.

The cost to implement this project will be minimal as the overhead IT salaries are already absorbed by the department. Furthermore, since there is no start up costs associated with migrating printing responsibilities to DSIT and since the shell document is already prepared, DSIT could be ready to proceed based upon testing the flat file process, within a few days. With the outline of the project complete and the shell documents already prepared, this projects implementation time should take minimal time – no more than three months, upon internal IT resources being allocated to the project.

The final component of the implementation will entail an educational campaign and training of internal BPC Staff of the new processes and external departmental staff as to the new messaging. Internal BPC Staff will be trained internally and the external departmental staff will be notified of the new messaging via the department's online Policy Center that requires user review and sign off.

Evaluation Method:

Upon the project being moved into production, the measurables of the impact of the new process will be reflected in monthly collection reports as well the ETA-227 report that is submitted to the Department of Labor each quarter. These reports will be monitored as they become available and comparative data from the previous correlating months and quarters will be evaluated to determine the overall success of the project. Mail / postage reports will be monitored to evaluate the reduction in the overall postage costs and incoming phone call logs will be monitored via the VOIP phone system to determine if the messaging decreased incoming question phone calls.

Summary:

By improving the department's current claimant messaging, automating certain processes and removing redundant steps within the process, the Benefit Payment Control Unit will better serve the needs of our customer. The improved messaging will reduce questions individuals have, inform the individual of the repayment options available to them and the consequences if they so choose not to participate in the process. Automating the process will free BPC Deputies time to engage in more productive endeavors, reduce postage costs and ensure DEW is messaging individuals at correct addresses. Removing the redundant steps in the process will ensure the department is not continuously issuing idle threats in its messaging as well as facilitate postage savings. Ultimately, these recommended endeavors will improve the Department of Employment and Workforce's overpayment billing process and assist the department in replenishing an insolvent Unemployment Insurance Trust-fund.

APPENDIX

BPC 128
REV. 2/11SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE
DETERMINATION OF OVERPAYMENT

TO:

S.S. NO.:

DATE: 02/04/13

OVERPAYMENT TYPE: ☐ FRAUD ☒ NONFRAUD

AMOUNT OVERPAID: 326.00 WEEKS OVERPAID: 11/10/12 TO 11/10/12 BYE: 08/13/12

An overpayment determination has been made on your unemployment insurance claim in accordance with Section 41-41-20 of the South Carolina Code. You have received benefits to which you were NOT entitled. See items checked below.

- ☐ You were paid benefits during a disqualification or a period of ineligibility.
- ☐ A revision in your base period wages resulted in a reduction of your weekly benefit entitlement.
- ☒ Earnings were not deducted. ☐ Pension was not deducted.
- ☐ Your claim was withdrawn.
- ☐ You knowingly withheld information to obtain or increase your benefits.
- ☐ Other:

MAILING DATE 02/05/2013

BENEFIT PAYMENT CONTROL

- ☐ If this box is checked and the overpayment is non-fraud, you may request a waiver of the overpayment.

IMPORTANT: This Determination will be the final decision of the Department unless you file an appeal and/or request for waiver within ten (10) calendar days, including weekends and holidays, from the mailing date shown above. If the tenth (10th) day falls on a Saturday, Sunday or holiday, the period is extended to the next business day. Your request for waiver must be filed in person at any local Workforce Center. If you cannot report in person, please contact your local Workforce Center for additional information or assistance. An appeal may be filed in person or by mail addressed to Appeals, P.O. Box 995, Columbia, SC 29202.

Section 41-41-40 of the South Carolina Code requires that you refund this overpayment regardless of the reason for the overpayment. Please make your personal check, money order, or cashier's check payable to the South Carolina Department of Employment and Workforce and MAIL TO:

SC DEPARTMENT OF EMPLOYMENT AND WORKFORCE
ATTN: BPC COLLECTIONS
P.O. BOX 2644
COLUMBIA, S.C. 29202

DO NOT SEND CASH MONEY THROUGH THE MAIL

To ensure proper credit to your account, please be sure to write your social security number on your payment. If you are unable to pay the entire amount, you can make arrangements to repay your overpayment in installments. You may use the section below to show how you intend to repay your overpayment. If assistance is needed in making such arrangement, contact the BPC Collections Unit at (803) 737-2387. You may also contact our field representative through your local workforce center to arrange an installment pay plan. Failure to repay this overpayment may result in prosecution (if the overpayment is fraud), wage garnishment, and/or your state tax refund being intercepted and applied to your overpayment.

REPAYMENT AGREEMENT

I UNDERSTAND THAT I AM OVERPAID AND MUST REPAY MY OVERPAYMENT. THEREFORE, I AGREE TO REPAY MY OVERPAYMENT IN INSTALLMENTS OF \$ _____ ☐ WEEKLY ☐ BI-WEEKLY ☐ MONTHLY UNTIL THE BALANCE IS PAID IN FULL.

I UNDERSTAND THAT THIS AGREEMENT HAS TO BE APPROVED BY THE SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE BPC COLLECTIONS UNIT AND IS NOT VALID UNLESS A PAYMENT IS ENCLOSED.

I UNDERSTAND THAT IF I BECOME ELIGIBLE FOR UNEMPLOYMENT INSURANCE BENEFITS, THEY WILL BE APPLIED TO MY OVERPAYMENT AND THIS INSTALLMENT AGREEMENT WILL NOT PREVENT THIS FROM HAPPENING.

SOCIAL SECURITY NUMBER

SIGNATURE

DATE

RETURN THIS PORTION WITH YOUR FIRST PAYMENT

SOUTH CAROLINA
DEPARTMENT OF EMPLOYMENT AND WORKFORCE
P.O. BOX 995
COLUMBIA, S.C. 29202
OFFICIAL BUSINESS

BPC-128

ADDRESS SERVICE REQUESTED

364

SOUTH CAROLINA CODE
VIOLATIONS, PENALTIES and LIABILITIES

Section 41-41-10 False statements to obtain or increase benefits-----

Whoever makes a false statement or representation knowing it to be false or who knowingly fails to disclose a material fact to obtain or to increase any benefits or other payment under this Title or under an employment security or unemployment compensation law of any other state, the Federal Government, or of a foreign government, either for himself or for any other person, shall be punished by a fine of not less than twenty nor more than one hundred dollars or by imprisonment for not longer than thirty days and each such false statement or representation or failure to disclose a material fact shall constitute a separate offense.

Section 41-41-20 States in part-----

Any claimant found by the Department to knowingly have made a false statement or who knowingly failed to disclose a material fact when filing a compensable claim to establish his right to or increase the amount of his benefits, shall be ineligible to receive any benefits for any week for which such claim was filed, in addition, shall be ineligible to receive any further benefits for not less than ten nor more than fifty-two consecutive weeks and/or may deduct from benefits to which the claimant might become entitled during this present benefit year or the next subsequent benefit year, or both, an amount not less than two times his weekly benefit amount and not more than his maximum benefit amount payable in a benefit year. Both the disqualification and the reduction commence with the date of the determination.

Section 41-41-40 Recovery of benefits paid to a person not entitled thereto-----

Any person who has received any sum as benefits under Chapters 27 through 41 of this Title while any conditions for the receipt of benefits imposed by such chapters were not fulfilled in his case or while he was disqualified from receiving benefits shall be liable to repay the Department for the unemployment compensation fund a sum equal to the amount so received by him. In the event full repayment of benefits, to which an individual was determined not entitled, has not been made such sum will be deducted from any future benefits payable to him under Chapters 27 through 41 of this Title, and such sum shall be collectible in the manner provided in Sections 41-31-380 through 41-31-400 for the collection of past-due contributions. The department may, at its discretion, attempt collection of overpayment through the South Carolina Department of Revenue in accordance with Section 12-56-10. If the overpayment is collectible in accordance with Section 12-56-10, the Department shall add to the amount of the overpayment a collection fee of twenty five dollars for each collection attempt.

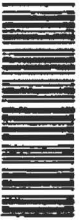
YOU MAY ALSO BE SUBJECT TO THE FOLLOWING PROVISION:

The Federal Law provides additional severe penalties for obtaining unemployment compensation through willful misrepresentation on a claim involving Federal funds. The violator may be subject to maximum fines ranging from \$1,000 to \$10,000 and/or imprisonment.



PO Box 995
1350 Gadsden Street
Columbia, SC 29202
www.dcw.sc.gov

Date Mailed: 02/07/2013
Claim Effective: 12/12/11
SSN: .
L.O./C.C.: 431/027



11037

Notice of Nonfraud Overpayment

Our records show that you have been overpaid benefits in accordance with § 41-41-20 of South Carolina Code (or had benefit entitlements applied as offsets to a prior overpayment that was reduced or totally voided) as shown on the reverse side of this determination. This overpayment was a result of unreported or underreported earnings and is classified as non-fraudulent. The total amount of the overpayment is \$348.00 (this balance may also include money previously withheld for Federal and State Income Tax withholdings, child support credit or benefits applied to prior overpayment balances).

The evidence indicates that you either unintentionally gave incomplete or incorrect information or failed to correct erroneous information initially provided. As a result, you now have an established debt with the South Carolina Department of Employment and Workforce in the amount shown on the reverse side of this determination. If you are presently filing for Unemployment Insurance Benefits, 100% of any payable claims will go towards repayment of the outstanding balance of your overpayment. If you are not presently claiming Unemployment Insurance Benefits, and if you are unable to repay the entire outstanding balance of the overpayment, you may request to repay in weekly, bi-weekly or monthly installments. If assistance is needed in making payment arrangements, contact the BPC Collections Unit at (803) 737-2387 or via the address provided below.

Section § 41-41-40 of the South Carolina Code requires that you refund this overpayment. Please make your personal check, money order or cashier's check payable to the South Carolina Department of Employment and Workforce and mail to:

(DO NOT SEND CASH MONEY THROUGH THE MAIL)

BPC Collections Unit
Post Office Box 2644
Columbia, SC 29202

To ensure proper credit to your account, please be sure to write your social security number on your payment. Failure to repay this overpayment may result in wage withholding (garnishment) and/or your State and Federal Income Tax Return being intercepted and applied to the overpayment balance.

Appeal Rights: This Determination will be the final decision of the Department unless you file an appeal within ten (10) calendar days, including weekends and holidays, from the mailing date shown above. If the tenth (10th) day falls on a Saturday, Sunday or holiday, the period is extended to the next business day. An appeal may be filed in person or by mail addressed to Appeals, P.O. Box 995, Columbia, SC 29202.

OVERPAYMENT/VOIDED OFFSET SUMMARY

Name:

SSN:

Below listed are the weeks involved in the audit of your claim.

Claim Week Ending Date	Earnings Reported By You	Employer Reported Earnings	Employer Name	Benefits Paid	Benefits Actually Due	Prior Offset Amount Voided	Amount Overpaid
1/7/2012	\$0.00	\$323.31	WATEREE COMMUNITY ACTIONS INC	\$174.00	\$0.00	\$0.00	\$174.00
1/14/2012	\$0.00	\$323.31	WATEREE COMMUNITY ACTIONS INC	\$174.00	\$0.00	\$0.00	\$174.00
TOTALS:				\$348.00	\$0.00	\$0.00	\$348.00



PO Box 995
1350 Gadsden Street
Columbia, SC 29202
www.dcw.sc.gov

Date Mailed: 02/07/2013
Claim Effective: 10/05/08
SSN:
L.O./C.C.: 260/051



11013

Notice of Fraud Overpayment

Our records show that you have been overpaid benefits in accordance with § 41-41-20 of South Carolina Code (or had benefit entitlements applied as offsets to a prior overpayment that was reduced or totally voided) as shown on the reverse side of this determination. This overpayment was a result of unreported or underreported earnings and is classified as fraudulent. The total amount of the overpayment is \$793.00 (this balance may also include money previously withheld for Federal and State Income Tax withholdings, child support credit or benefits applied to prior overpayment balances). Furthermore, as a result of your false statement(s) or failing to disclose material facts surrounding your claim, you are assessed an administrative penalty of 14 weeks, beginning 2/3/2013 and ending 5/11/2013, in conjunction with 41-41-20 (A) described below.

The evidence indicates that you received benefits as a result of a false statement or misrepresentation of material facts in an effort to obtain benefits that you were not entitled to receive.

Section 41-41-20 (A), of the South Carolina Department of Employment and Workforce Law states in part that:

- (A) A claimant found by the Department knowingly to have made a false statement or who knowingly failed to disclose a material fact when filing a compensable claim to establish his right to or increase the amount of his benefits is ineligible to receive benefits for any week for which the claim was filed, and is ineligible to receive further benefits for not less than ten (10) and not more than fifty-two (52) consecutive weeks as determined by the Department according to the circumstances of the case.

Subsequent prosecution may be used to collect the outstanding debt upon failure to repay the debt in full or to engage in an acceptable payment plan.

As a result, you now have an established debt with the South Carolina Department of Employment and Workforce in the amount shown on the reverse side of this determination. If you are presently filing for Unemployment Insurance Benefits, 100% of any payable claims will go towards repayment of the outstanding balance of your overpayment. If you are not presently claiming Unemployment Insurance Benefits, and if you are unable to repay the entire outstanding balance of the overpayment, you may request to repay in weekly, bi-weekly or monthly installments. If assistance is needed in making payment arrangements, contact the BPC Collections Unit at (803) 737-2387 or via the address provided below.

Section § 41-41-40 of the South Carolina Code requires that you refund this overpayment. Please make your personal check, money order or cashier's check payable to the South Carolina Department of Employment and Workforce and mail to:

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Columbia, SC 29202

To ensure proper credit to your account, please be sure to write your social security number on your payment. Failure to repay this overpayment may result in prosecution, wage withholding (garnishment) and/or your State and Federal Income Tax Return being intercepted and applied to the overpayment balance.

Appeal Rights: This Determination will be the final decision of the Department unless you file an appeal within ten (10) calendar days, including weekends and holidays, from the mailing date shown above. If the tenth (10th) day falls on a Saturday, Sunday or holiday, the period is extended to the next business day. An appeal may be filed in person or by mail addressed to Appeals, P.O. Box 995, Columbia, SC 29202.

OVERPAYMENT/VOIDED OFFSET SUMMARY

Name:

SSN:

Below listed are the weeks involved in the audit of your claim.

Claim Week Ending Date	Earnings Reported By You	Employer Reported Earnings	Employer Name	Benefits Paid	Benefits Actually Due	Prior Offset Amount Voided	Amount Overpaid
1/7/2012	\$22.60	\$58.00	TAMPA SERVICE COMPANY OF S CAROLINA INC	\$249.00	\$0.00	\$0.00	\$249.00
		\$32.63	MDT PERSONNEL INC				
1/14/2012	\$0.00	\$120.00	MDT PERSONNEL INC	\$21.00	\$0.00	\$0.00	\$21.00
1/21/2012	\$85.02	\$300.00	MDT PERSONNEL INC	\$226.00	\$0.00	\$0.00	\$226.00
1/28/2012	\$212.80	\$300.00	MDT PERSONNEL INC	\$98.00	\$0.00	\$0.00	\$98.00
2/4/2012	\$111.77	\$219.50	MDT PERSONNEL INC	\$199.00	\$0.00	\$0.00	\$199.00
TOTALS:				\$793.00	\$0.00	\$0.00	\$793.00

FIRST DEMAND FOR REFUND
South Carolina Department of Employment and Workforce
P O BOX 995
COLUMBIA SC 29202
DATE: 6/8/2012

For Further Information Call:
803-737-1970

Your Account Information is:
Account #:
Balance Due: \$2,056.00

Here is an important message for:

IMMEDIATE ACTION REQUIRED

Dear

Your overpayment in the amount of \$2,056.00 has been assigned to me for collection.

Section 41-41-40 of the Department of Employment and Workforce Law requires that you repay this overpayment. Regardless of the reason for this overpayment, YOU must repay the amount owed. Unless arrangements are made to repay this overpayment, your case will be considered for possible legal action.

Therefore, it is in your best interest to contact me immediately to repay your overpayment in full or to make satisfactory arrangements to repay your overpayment in installments. If your payment has already been sent, I thank you and ask that you disregard this notice. If your payment has not been sent, please take a few minutes to send your payment today to avoid possible legal action.

If you become eligible for unemployment insurance benefits, they will be applied to your overpayment and any prior repayment arrangements you made will not prevent this from happening.

I look forward to receiving your payment response.

Sincerely,
Donna Raines
Field Deputy

DETACH AND RETURN THIS PORTION WITH YOUR PAYMENT

MAKE PAYMENT TO: SC DEPARTMENT OF EMPLOYMENT AND WORKFORCE

Mail To: SCDEW
ATTN: Donna Raines

Balance Due: \$2,056.00

P O BOX 995
COLUMBIA SC 29202

___ Check to Refunded in Full: \$2,056.00

I agree to refund the sum as follows: \$ ___. ___ Weekly ___ Bi-Weekly or ___ Monthly (Check One).
A payment must be sent with this notice to have an acceptable agreement.

Signature: _____ Date: _____

UPC 240
REV 02/12

SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

P.O. BOX 995

DEMAND FOR REFUND

COLUMBIA, S.C. 29202

10/05/12

FINAL NOTICE

Attachment 5

YOU WERE PREVIOUSLY NOTIFIED THAT YOU WERE OVERPAID UNEMPLOYMENT BENEFITS. YOUR
BALANCE DUE IS \$268.00.

THIS OVERPAYMENT IS A DEBT FOR WHICH YOU ARE RESPONSIBLE AND MUST BE REPAYED TO THIS AGENCY IN
ACCORDANCE WITH SECTION 41-41-40 OF THE SCDEW LAW. YOU HAVE MADE NO EFFORT TO REPAY THIS DEBT.
THEREFORE, IF PAYMENT ARRANGEMENTS HAVE NOT BEEN MADE WITHIN TEN (10) DAYS FROM THIS DATE OF THIS
DEMAND LETTER, YOUR DEBT WILL BE TURNED OVER TO A COLLECTION SPECIALIST WITHIN OUR DEPARTMENT FOR
FOR FURTHER ACTION.

PLEASE DETACH THE ENCLOSED COUPON AND MAIL WITH YOUR PAYMENT TO THE ADDRESS SHOWN ON THE
COUPON. DO NOT MAIL CASH. IF ASSISTANCE IS NEEDED, PLEASE CALL (803)737-2400 OPTION #7,
THEN OPTION #2.

BENEFIT PAYMENT CONTROL

IMMEDIATE ACTION IS REQUIRED ON THIS DEMAND

MAKE PAYMENT TO: SOUTH CAROLINA DEPARTMENT OF EMPLOYMENT AND WORKFORCE

ATTN: BPC COLLECTIONS, RM 130

P.O. BOX 2644

COLUMBIA, S.C. 29202

PAYMENT AMOUNT \$ _____

ADDRESS CORRECTION INFORMATION

\$268.00

RETURN THIS PORTION WITH YOUR PAYMENT

**SOUTH CAROLINA
DEPARTMENT OF EMPLOYMENT AND WORKFORCE
P.O. BOX 995
COLUMBIA, S.C. 29202
OFFICIAL BUSINESS**

BPC-240

ADDRESS SERVICE REQUESTED

WTF

JEPPHGP 23340





PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov

Attachment 6

DEMAND FOR REFUND OF OVERPAID BENEFITS

Jane Doe
123 Elm Street
Nowhere, SC 29XXX-XXXX

Date Mailed: 02/6/2013
SSN: XXX-XX-1234
Local Office #: 000

This letter is to inform you that you have an existing overpayment balance owed to the South Carolina Department of Employment and Workforce and that the Department is notifying you that the debt is still owed and must be repaid in accordance with §41-41-40 of South Carolina State Law.

Outstanding Balance Due: \$1,234.56

To avoid potential adverse action on your future benefits, future wages or your State and /or Federal Income Tax Returns, it is imperative that you contact the Benefit Payment Control (BPC) Field Deputy listed below concerning your options to repay the outstanding debt. You can either pay the debt back to the Department in full or engage in an Acceptable Repayment Agreement. Based upon the outstanding debt owed to the Department, your monthly Acceptable Repayment Agreement amount is **\$123** and can be made in weekly, bi-weekly, semi-monthly or monthly increments as long as your payments total the agreement total for the month.

If you have already submitted payment in full, the Department thanks you for your payment and please disregard this notice. Also, if you are currently filing for unemployment insurance benefits or become eligible for unemployment benefits again in the future, the benefits that you are entitled to will be applied at 100% to your outstanding overpayment debt and any prior payment arrangements you made will not prevent this from happening. Finally, if you do not engage in an Acceptable Repayment Agreement, this letter serves as your official notification that you may be subjected to the involuntary wage withholding procedures in accordance with §12-54-130 in which the Department can intercept up to 25% of your net wages.

You may engage in an acceptable repayment agreement with the Department via the following methods:

- 1) An Installment Payment Agreement (IPA) in which you agree to repay the debt in specified amounts in weekly, bi-weekly, semi-monthly or monthly increments.
- 2) Electronic Funds Transfer (EFT) in which you agree to have your checking or savings account drafted in semi-monthly or monthly increments.
- 3) Voluntary Wage Withholding in which you elect to have a fixed amount or a percentage of your payroll withheld by your employer and submitted to the Department.

The Department looks forward to hearing from you to engage you in an acceptable repayment plan to absolve this outstanding debt owed to the Department. Please contact the BPC Field Deputy at the address or phone number listed below.

Regards,

BPC Field Deputy

BPC Field Deputy
123 Address Street
Anywhere, SC 29XXX
(123) 456-7890



PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov

Attachment 7

Installment Payment Agreement

Jane Doe
123 Elm Street
Nowhere, SC 29XXX-dXXXX

Date Mailed: 02/6/2013
SSN: XXX-XX-1234
Local Office #: 000

Per your request to the Department of Employment and Workforce, the Department is willing to enter you into an installment payment agreement based upon the conditions shown below. Please complete the required information, sign the document and return this agreement with your first payment. **Failure to include a payment with this document will not initiate an agreement between you and the Department.**

Total Outstanding Balance Due: \$1,234.56

I understand that the aforementioned debt is the result of being paid unemployment insurance benefits during a period of time in which I was ineligible to receive them and hereby agree to repay the debt in full based upon the terms in the agreement listed below.

I understand that this agreement concerns exclusive civil liability to repay this overpayment and does not relieve me from disqualification or prosecution under the South Carolina Department of Employment and Workforce Law or any other Laws.

I understand that if at any point I become eligible for unemployment insurance benefits, 100% of the benefits that I am entitled to will be applied to the aforementioned debt regardless of this repayment agreement.

I understand that my State Income Tax refund can be intercepted and applied to this overpayment regardless of this repayment agreement.

I understand that at any point if I default on this agreement, this agreement becomes null and void and the Department of Employment and Workforce reserves the right to pursue other collection methods including intercepting up to 25% of my net wages from my employment, intercept my Federal Income Tax Returns and placing liens against real property that I own.

I agree to pay the sum of \$_____ per Week ☐ Bi-Weekly ☐ Monthly ☐

Claimant Signature: _____ Date: _____

Regards,

BPC Field Deputy

BPC Field Deputy
123 Address Street
Anywhere, SC 29XXX
(123) 456-7890



PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov

Attachment 8

Electronic Funds Transfer Agreement

Jane Doe
123 Elm Street
Nowhere, SC 29XXX-dXXXX

Date Mailed: 02/6/2013
SSN: XXX-XX-1234
Local Office #: 000

Per your request to the Department of Employment and Workforce, the Department is accommodating your request to be engaged in the Electronic Funds Transfer Program based upon the conditions shown below. This program allows your checking or savings account to be drafted automatically on the 1st and / or 16th of each month. Please complete the form below in its entirety, sign the document, attach the requested information and return it to the BPC Field Deputy referenced below.

Total Outstanding Balance Due: \$1,234.56

I understand that the aforementioned debt is the result of being paid unemployment insurance benefits during a period of time in which I was ineligible to receive them and hereby agree to repay the debt in full based upon the terms in the agreement listed below.

I understand that this agreement concerns exclusive civil liability to repay this overpayment and does not relieve me from disqualification or prosecution under the South Carolina Department of Employment and Workforce Law or any other Laws.

I understand that if at any point I become eligible for unemployment insurance benefits, 100% of the benefits that I am entitled to will be applied to the aforementioned debt regardless of this repayment agreement.

I understand that my State Income Tax refund can be intercepted and applied to this overpayment regardless of this repayment agreement.

I understand that at any point if I default on this agreement, this agreement becomes null and void and the Department of Employment and Workforce reserves the right to pursue other collection methods including intercepting up to 25% of my net wages from my employment, intercept my Federal Income Tax Returns and placing liens against real property that I own.

I agree to pay the sum of \$ _____ on the 1st of each month and / or \$ _____ on the 16th of each month.

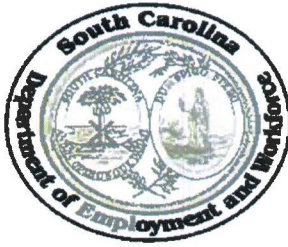
ATTACH A VOICED CHECK OR SAVINGS DEPOSIT SLIP TO THIS NOTICE.

Claimant Signature: _____ Date: _____

Regards,

BPC Field Deputy

BPC Field Deputy
123 Address Street
Anywhere, SC 29XXX
(123) 456-7890



PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov

Attachment 9

Voluntary Wage Withholding Agreement

Jane Doe
123 Elm Street
Nowhere, SC 29XXX-dXXXX

Date Mailed: 02/6/2013
SSN: XXX-XX-1234
Local Office #: 000

Per your request the Department of Employment and Workforce is willing to enter you into the Voluntary Wage Withholding Agreement based upon the conditions shown below and pursuant to §12-54-130 of the South Carolina Code of Laws. Please complete the required information, sign the document, have your employer fill out the employer portion on the reverse side of this notice and have the employer return this agreement to the BPC Field Deputy listed below.

Total Outstanding Balance Due: \$1,234.56

I understand that the aforementioned debt is the result of being paid unemployment insurance benefits during a period of time in which I was ineligible to receive them and hereby agree to repay the debt in full based upon the terms in the agreement listed below.

I understand that this agreement concerns exclusive civil liability to repay this overpayment and does not relieve me from disqualification or prosecution under the South Carolina Department of Employment and Workforce Law or any other Laws.

I understand that if at any point I become eligible for unemployment insurance benefits, 100% of the benefits that I am entitled to will be applied to the aforementioned debt regardless of this repayment agreement.

I understand that my State Income Tax refund can be intercepted and applied to this overpayment regardless of this repayment agreement.

I understand that this agreement is invalid without my employer's agreement to participate.

I understand that at any point if this agreement is defaulted upon, this agreement becomes null and void and the Department of Employment and Workforce reserves the right to pursue other collection methods including intercept my Federal Income Tax Returns and placing liens against real property that I own.

I agree to allow my current employer, _____, withhold the sum of \$_____ per pay period from my check to repay the outstanding debt owed to the Department of Employment and Workforce.

Claimant Signature: _____ Date: _____



**PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov**

EMPLOYER PORTION:

This letter serves as notice to you that the individual listed on the reverse side of this form has an outstanding balance owed to the Department of Employment and Workforce and the individual has elected to have you, their employer, withhold their wages in accordance with §12-54-130 of South Carolina Code. Furthermore, if you fail to engage the individual mentioned above in the wage withholding process, the debt may be transferred to the employer and the debt be required to be paid in full by the employing entity in accordance with §12-54-135. Please fill out the information below on behalf of the employee.

It is agreed that the referenced individual will have wages withheld in the amount of \$ _____ per pay period and the withholding of wages will begin on _____.

EMPLOYER CONTACT INFORMATION:

Contact Name: _____

Signature: _____

Date: _____

Phone Number: _____

Fax Number: _____

Email: _____

Please remit payments and this agreement to:

SC Department of Employment and Workforce
Attn: BPC Field Deputy
123 Address Street
Anywhere, SC 29XXX

****Please include the last four (4) digits of the employee's SSN with the remittance of payment.****

Regards,

BPC Field Deputy

BPC Field Deputy
123 Address Street
Anywhere, SC 29XXX
(123) 456-7890



PO Box 995
1550 Gadsden Street
Columbia, SC 29202
www.dew.sc.gov

Attachment 10

Involuntary Wage Withholding Notice

Acme Company, Inc.
123 Elm Street
Nowhere, SC 29XXX-XXXX

Date Mailed: 02/6/2013

Re: Jane Doe

SSN: 123-45-6789

The Department of Employment and Workforce's records reflect that the above individual is working with your company. The Department has an outstanding overpayment debt due on the individual and efforts to collect this outstanding debt have been made by the Department; however, the debtor has not made a reasonable attempt to repay this debt. Therefore, pursuant to §12-54-130 of the South Carolina Code of Laws, your company is hereby requested to withhold the above referenced individual's wages to satisfy the outstanding debt. You are hereby notified to withhold from the individual's net wages or compensation due, or to become due, according to the procedures listed below.

Total Outstanding Balance Due: \$1,234.56

- Withholding 25% of the employee's net compensation for each pay period until the total debt has been paid in full. If the individual is currently having wages withheld under the same section of Law, the Department is requesting the difference in the percentage, up to 25%.
- Please do not allow the withholding to exceed the balance due.
- Remit the amount of compensation withheld immediately following the pay period to the address listed at the bottom of the notice. Please be sure to include the last four (4) digits of the employee's SSN with the payment.
- In accordance with §12-54-130, if the employee leaves your employment or notifies you of their intention to do so before the full liability has been satisfied, you are required to withhold the full amount compensation due the employee and remit it as payment.
- In accordance with §12-54-135, if the employer refuses or fails to remit the balance due in accordance with § 12-54-130, then the employer becomes liable for the debt of the employee and may be subject to pay the debt in full.

Please remit payments to:

SC Department of Employment and Workforce
Attn: BPC Collections Unit
Post Office Box 2644
Columbia, SC 29202

Regards,

BPC Collections Specialist

BPC Collections Specialist
(803) 737-2400 – Option 7